

ORIGINAL



0000135634

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

APR - 4 2012

GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

2012 APR 4 AM 8 38

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
PAYSON WATER COMPANY ON BEHALF
OF ITS MESA DEL CABALLO SYSTEM FOR
APPROVAL OF A WATER AUGMENTATION
SURCHARGE/EMERGENCY RATE TARIFF.

DOCKET NO. W-03514A-10-0116

IN THE MATTER OF THE NOTICE OF FILING
OF PAYSON WATER COMPANY'S PROPOSED
CHANGES TO ITS CURTAILMENT TARIFF
(MESA DEL CABALLO SYSTEM).

DOCKET NO. W-03514A-10-0117

PROCEDURAL ORDER

BY THE COMMISSION:

September 28, 2010, the Arizona Corporation Commission ("Commission") issued Decision No. 71902 which approved the application of Payson Water Company, Inc. ("Company" or "Applicant") on behalf of its Mesa Del Caballo ("MDC") system for an emergency water augmentation surcharge tariff ("Surcharge") on an interim basis to allow the Applicant to recover costs for the bulk water purchases needed to supply water to customers on its MDC System. In Decision No. 71902, the Commission also approved certain changes to MDC's Curtailment Tariff.

The Commission's approval of the Company's application for a Surcharge was conditioned upon the Company filing by September 27, 2011, with the Commission, as a compliance item, an application for permanent rate relief.

On September 8, 2011, the Company filed a Motion for an Extension of Time ("Motion"), until January 31, 2012, for approval by the Commission to file its permanent rate application. The Company in its Motion stated as follows:

The Surcharge is designed to allow Payson Water to recover its costs of supplementing water supplies for its Mesa Del Caballo system between the months of May and September each year. These costs are merely passed through to the end-user, and do not include the recovery of any administrative costs, nor does it provide Payson Water with any excess funds or profit. In order to provide an accurate accounting of the costs for supplemental water supplies, Payson Water will need information and

1 data through the 2011 season when water augmentation was necessary –
2 including all water augmentation that occurs in September, 2011. In
3 addition, Payson Water has been required to augment the Mesa Del
4 Caballo system with water supplies outside the time the Surcharge is in
effect (i.e. January and February 2011), and expects further water
augmentation will be necessary for September 2011. These costs are not
currently recovered from ratepayers.

5 The Company stated that a 2011 test year will provide the Company and the Commission with
6 the full and complete information necessary to provide a basis for permanent rate relief.

7 The Company stated further that a 120-day delay should not have a negative impact on
8 Applicant's customers; in fact, it would delay any rate increase that may result from the rate
9 application.

10 On September 29, 2011, the Commission's Utilities Division ("Staff") filed a Staff
11 Memorandum in response to the Company's Motion in which Staff recommended approval of the
12 requested extension until March 31, 2012, in order for the Company to file an application for a
13 permanent rate increase.

14 On November 7, 2011, Mr. J. Stephen Gehring, filed an Application for Intervention
15 ("Application") in the above-captioned proceeding. In his request for intervention, Mr. Gehring stated
16 that he is a customer of the Company and disagreed with the results of the Decision No. 71902;
17 however, the time for intervention for that proceeding had passed. Additionally, Mr. Gehring stated
18 that he wished to intervene in the rate case proceeding which was to be filed on or about March 30,
19 2012.

20 On November 17, 2011, the Commission issued Decision No. 72679, which granted the
21 Company an extension of time to file its permanent rate application by March 30, 2012.

22 On November 21, 2011, by Procedural Order, Mr. Gehring's name was added to the service
23 list in this docket and the Company was directed to notify Mr. Gehring by mail as all customers will
24 be when the new rate application is filed.

25 On March 13, 15, and 16, 2012, Mr. J. Alan Smith, Mr. Bobby Jones and Ms. Lois Jones, and
26 Mr. William S. Omtvedt, respectively, each filed a separate Application in the above-captioned
27 proceeding. Except for their names and different filing dates, the respective Application(s) mirror the
28 Application filed by Mr. Gehring on November 7, 2011.

1 On March 22, 2012, the Company filed three separate Motions to Dismiss ("Motion") the
2 Applications(s) filed by Mr. Smith, Mr. and Ms. Jones, and Mr. Omtvedt suggesting that these
3 individuals file for intervention in the docket which will be opened when the Company files its new
4 rate application.

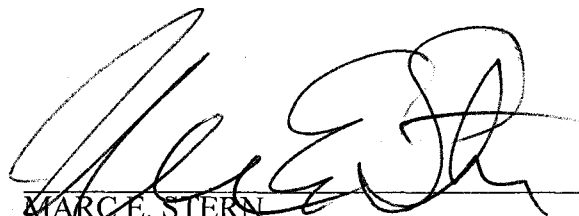
5 On April 2, 2012, Mr. Smith filed a response to the Company's Motion.

6 Under the circumstances, the time for intervention in this docket has passed. With respect to
7 the new rate application which the Company must file, the Commission will require the Applicant to
8 both mail notice of the rate request to property owners and publish public notice of same in a
9 newspaper of general circulation within the service area to provide those individuals who wish to
10 intervene in the proceeding an opportunity to file an Application to do so. Since the above-referenced
11 individuals are aware of the impending rate request which is to be filed by the Company, the parties
12 should read their local paper and all mailings from the Company closely to insure that they request
13 intervention in a timely fashion in the new docket which will be opened upon the filing of the rate
14 request.

15 IT IS THEREFORE ORDERED that the Application(s) for Intervention in this docket by Mr.
16 J. Alan Smith, Mr. Bobby Jones and Ms. Lois Jones, and Mr. William S. Omtvedt shall be denied.

17 DATED this 4TH day of April, 2012.

18
19
20
21
22
23
24
25
26
27
28


MARCE E. STERN
ADMINISTRATIVE LAW JUDGE

24 Copies of the foregoing mailed/delivered
25 this 4th day of April, 2012 to:

26 Patrick J. Black
27 FENNEMORE CRAIG, PC
28 3003 North Central Avenue, Suite 2600
Phoenix, AZ 85012-2913
Attorneys for Payson Water Company

1 J. Stephen Gehring
8157 West Deadeye Road
2 Payson, AZ 85541


3 Janice Alward, Chief Counsel, Legal Division
ARIZONA CORPORATION COMMISSION
4 1200 West Washington Street
Phoenix, AZ 85007

5 Steven M. Olea, Director, Utilities Division
6 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
7 Phoenix, Arizona 85007

8 Mr. J. Alan Smith
8366 Barranca Road
9 Payson, AZ 85541

10 Mr. Bobby Jones
Ms. Lois Jones
11 7325 Caballero Road
Payson, AZ 85541

12 Mr. William S. Omtvedt
13 8125 West Gunsight Ridge
Payson, AZ 85541

14
15 By: 
Debra Broyles
16 Secretary to Marc E. Stern
17
18
19
20
21
22
23
24
25
26
27
28